

2011 Banking and Credit Card Survey



About Credit Reporting Agency

Credit Reporting Agency is the UK's first internet based credit reference agency, aimed firmly at serving consumers, rather than business users. It leads the UK market in the provision of online credit file based services and provides consumers with easy access to information on three websites:

checkmyfile was first in the UK:

- to provide consumers with online access to their credit files;
- to offer consumers the ability to check their own credit score for free and to give plain English explanations of how credit scoring works.

givemecredit was first in the UK:

- to match lenders to consumer credit ratings for free, using credit scores, to help consumers find the cheapest deals and to reduce the risks of being declined;
- to publish fully independent reviews of credit card and loan lenders based on expert evaluation and consumer feedback of customer service experience.

annualcreditreport.co.uk was first in the UK:

- to provide free annual credit reports to consumers to encourage more to check the quality of the information held about them, and to guard against the increasing threat of identity theft;
- to provide free identity theft prevention services.

About this survey

Each year, Credit Reporting Agency asks its customers to rate their bank or credit card company. Respondents are incentivised by an invitation to enter a prize draw. This year's randomly selected winner received an Apple iPad 2.

Credit Reporting Agency uses the results to ensure that, when suggesting financial institutions to its customers on any of its websites, it can give an independent assessment of the service levels likely to be provided. It also ensures that applicants are matched to lenders who are most likely to say yes, so the risks of being declined are minimised. By matching lender appetite to the consumer requirement, Credit Reporting Agency also checks that the APRs on offer are in line with the creditworthiness of the customer, so customers don't pay over the odds.

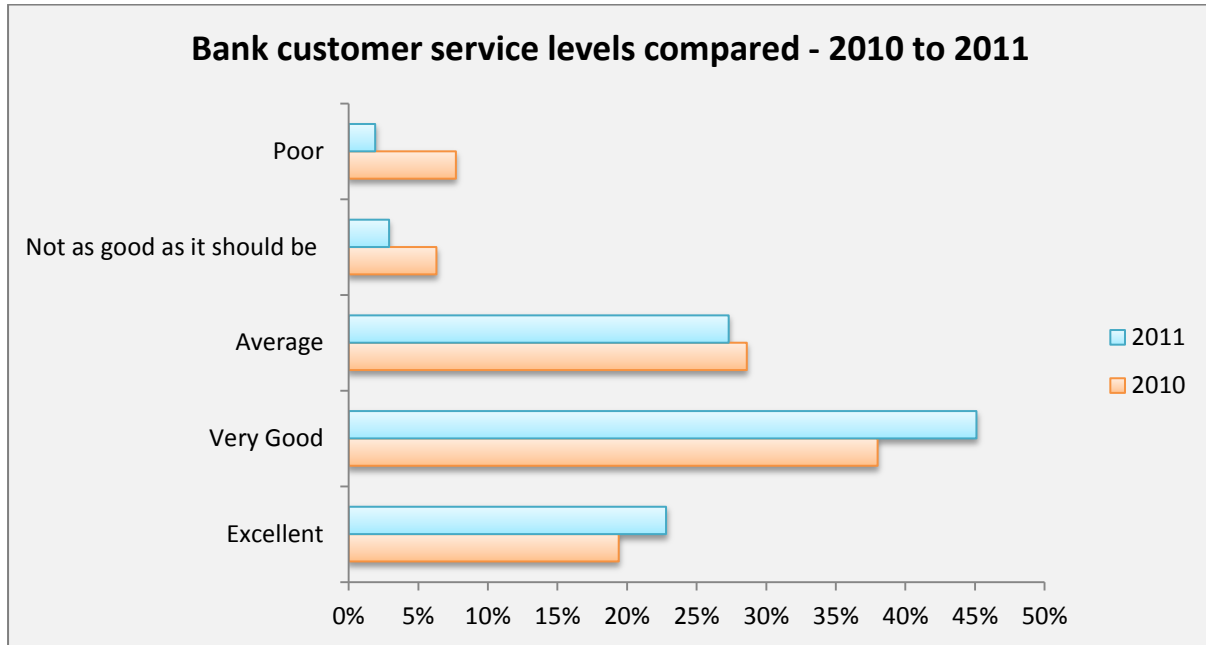
3,499 people took part in this survey. Responses were processed using surveymonkey.com and analysed by Credit Reporting Agency.

This analysis was published on 16th December 2011.

Summary of Survey Results

This year's survey reveals a significant – if somewhat unexpected – improvement in the overall level of customer service provided by both banks and credit card lenders. The number of respondents rating the service they receive from their bank as 'poor', or as 'not as good as it should be', decreased from 22% to just 7%, and the number voting bank customer service as 'very good' increased by 10%.

Average customer service ratings for credit card providers followed a similar pattern.



First Direct has been rated by respondents to the survey as the top bank for customer service yet again. Despite a relatively small market share, First Direct also managed to top the credit card ratings. Santander was rated as the worst bank for customer service.

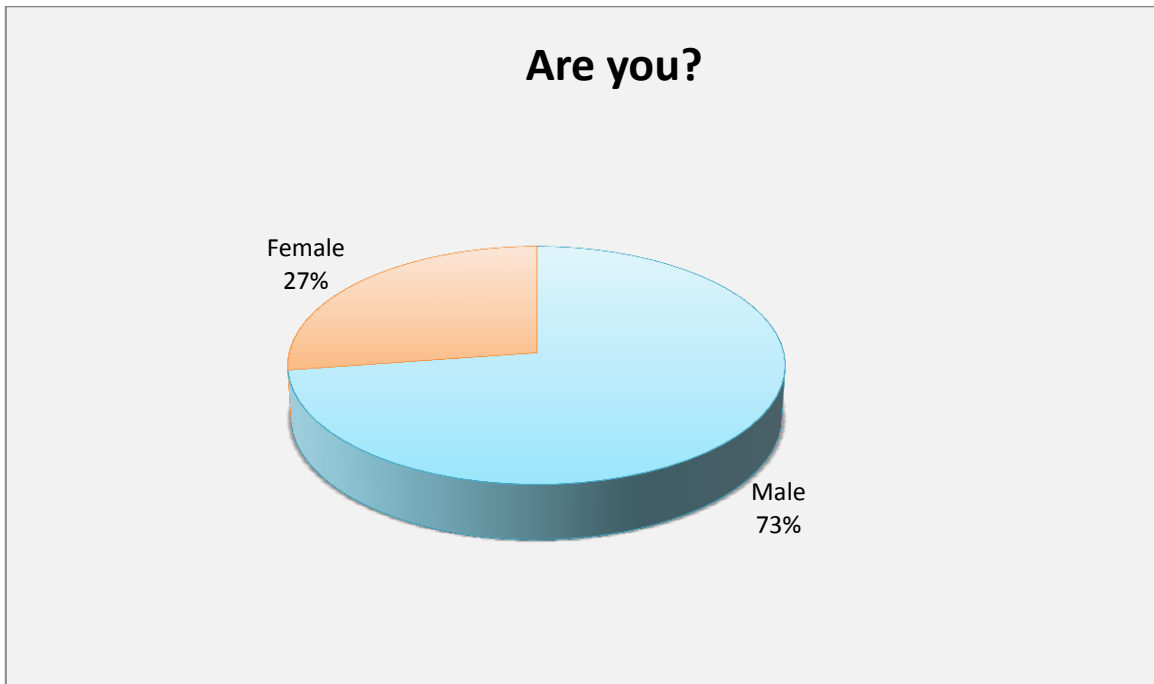
If the experience of our respondents is reflective of the wider public, getting credit is getting easier. 21% of respondents said that they had attempted to switch banks or get a new credit card in the last 12 months and 68% were accepted – up almost 10% on 2010.

Cashback proved to be the most popular credit card feature this year. Good customer service is given as the most important consideration when choosing a bank account. Capital One saw a notable improvement in its customer service ratings compared to last year's survey, up 7 places in the table from 10th position to 3rd.

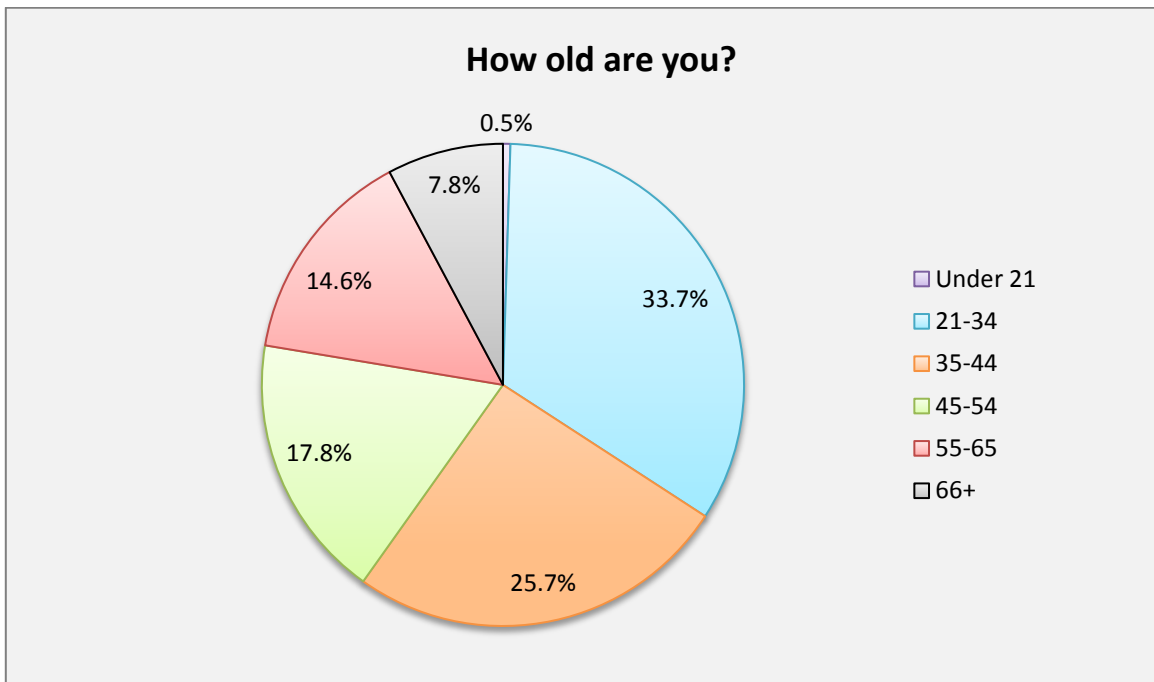
Fewer respondents feel so bitterly about a bank or credit card provider than in previous years. 32% of people surveyed said they would never recommend a particular lender to a friend, compared to 45% a year ago. Of those who said they did bear a grudge strong enough to never recommend a particular lender, one in five singled out Santander for criticism.

Survey respondents gave an improved view of the state of their finances compared to a year ago. Almost 40% said that their financial fortunes were much the same, but an encouraging 32% said that they were in a better position than they were 12 months ago. 23% said they were worse off.

Age & gender distribution

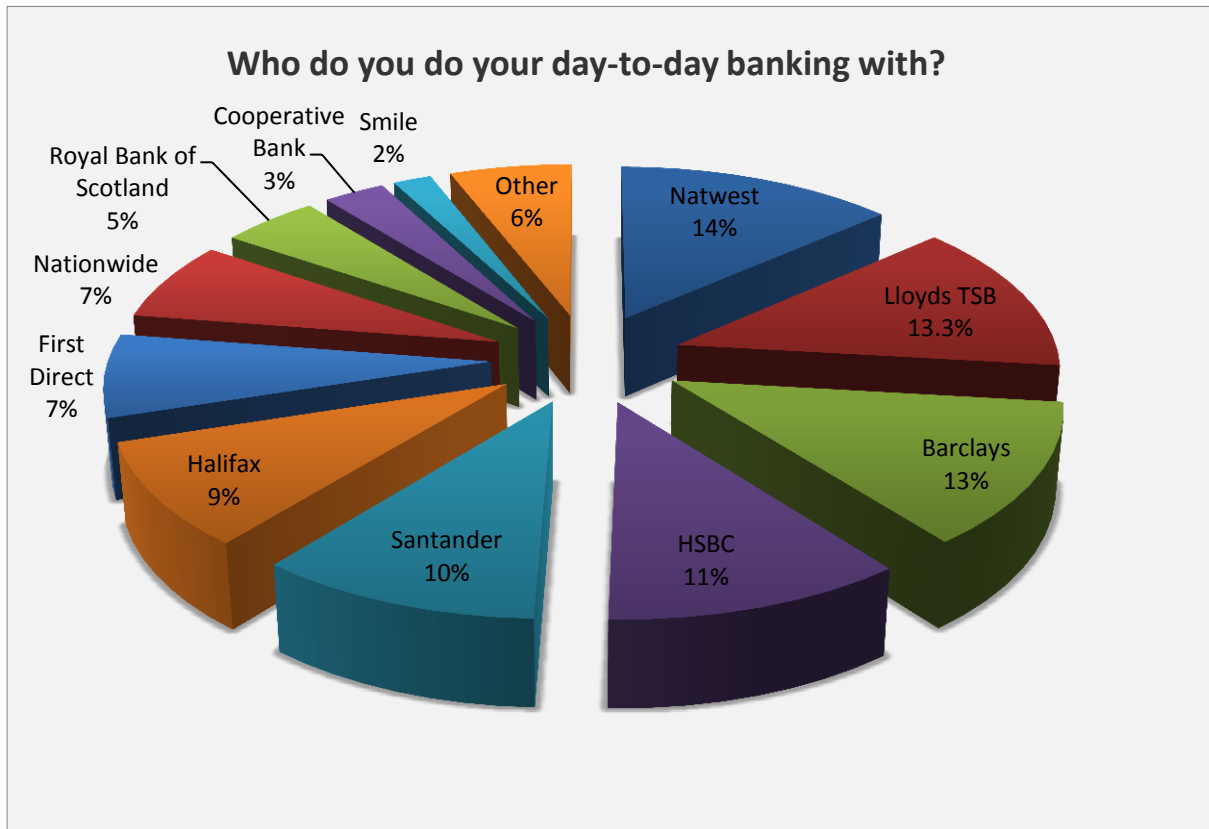


No significant change from last year.

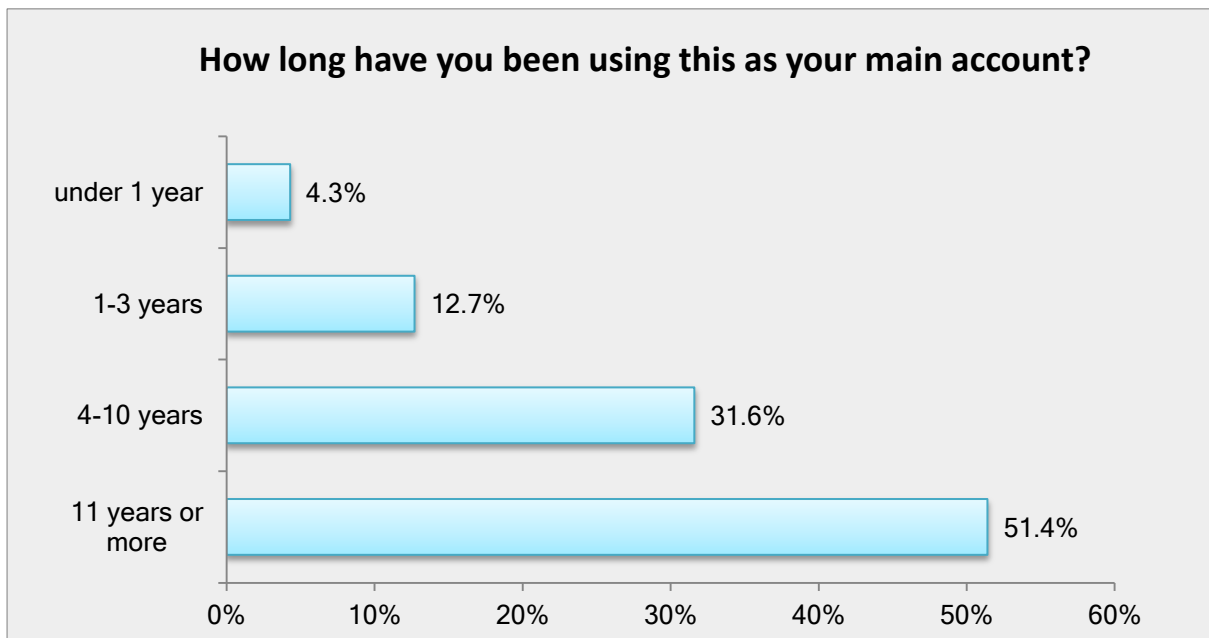


A swing of 9% more respondents in the 21-34 year age group, at the expense of the 45-65 year age group.

Distribution of banking relationship

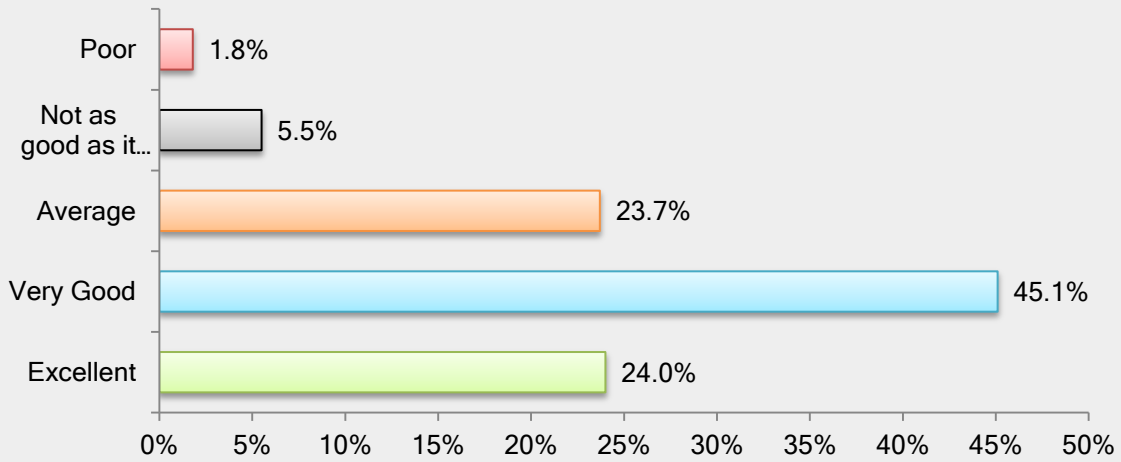


RBS/NatWest now clearly the largest bank amongst our respondents. No other significant changes.



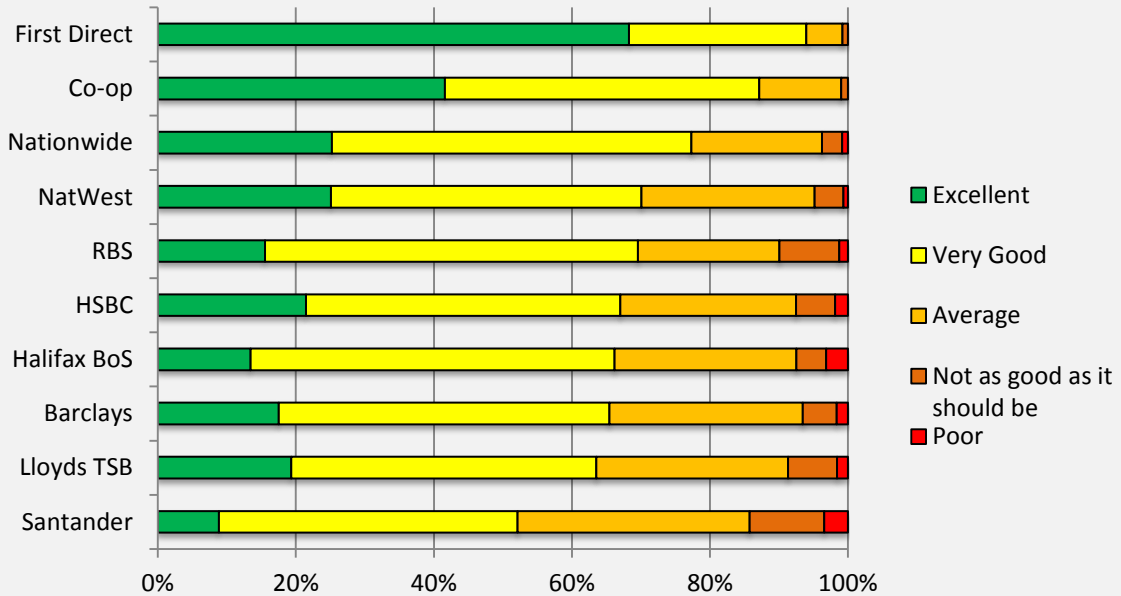
There has not been a significant shift in the length of time people have held their current account, with the majority still having been with the same bank for 11 years or more.

And how would you rate the overall service you receive from your bank?



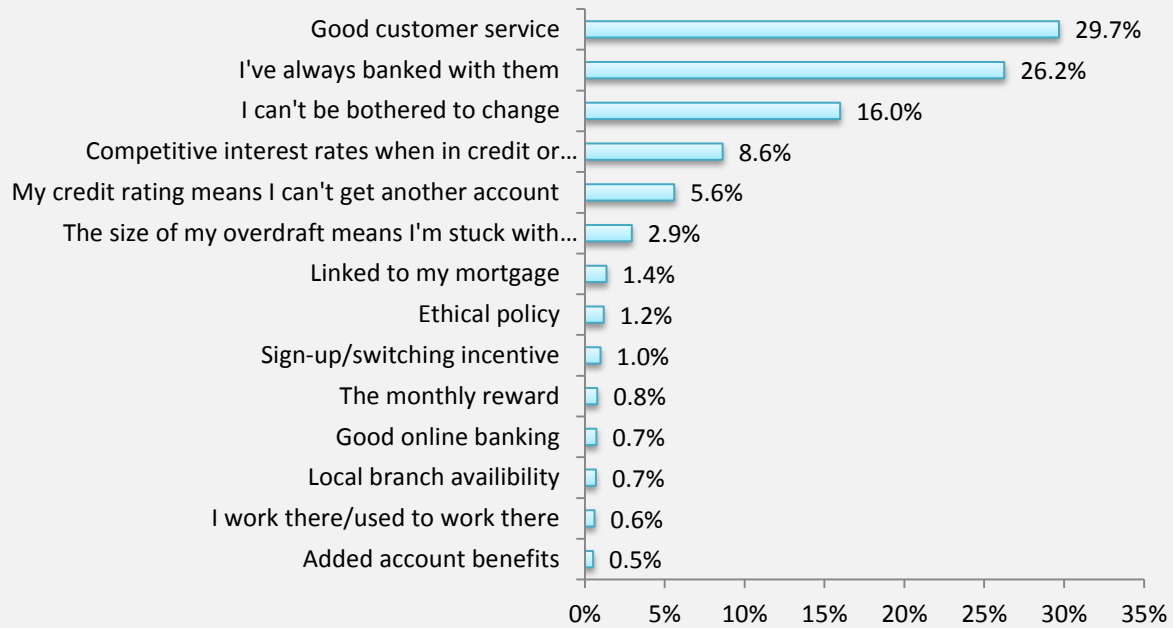
A significant, positive shift in customer satisfaction, with far more consumers happy with the level of service they receive from their bank. See the table contained in the Summary of Survey Results to compare 2011 and 2010 figures.

Customer service ratings - banks



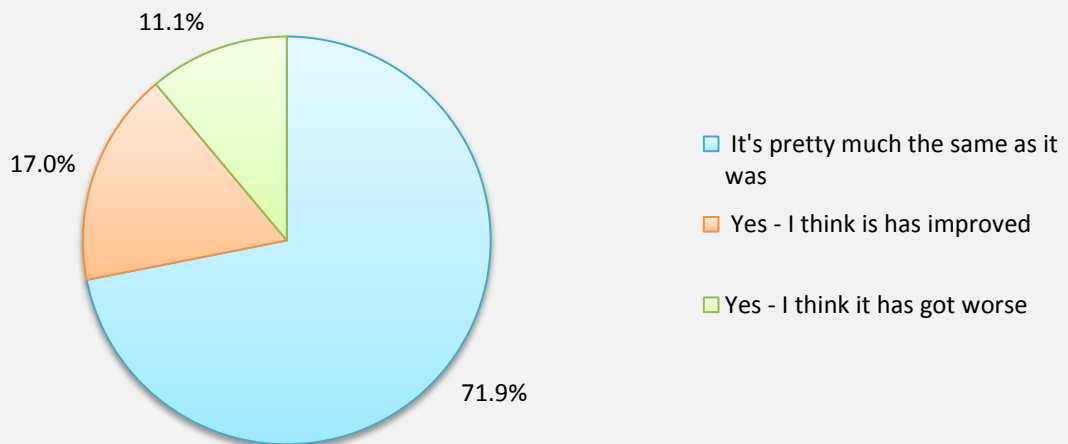
There are widely different views expressed by respondents on the customer service levels provided by banks. First Direct and Co-operative Bank retain their positions as the top two rated banks. Other significant changes in this table from 2010 include Nationwide, now in 3rd place from 5th in 2010, and HSBC, which has fallen from 3rd place to 6th place. It is worth noting that First Direct is a division of HSBC.

What's the main reason you are with your current bank?



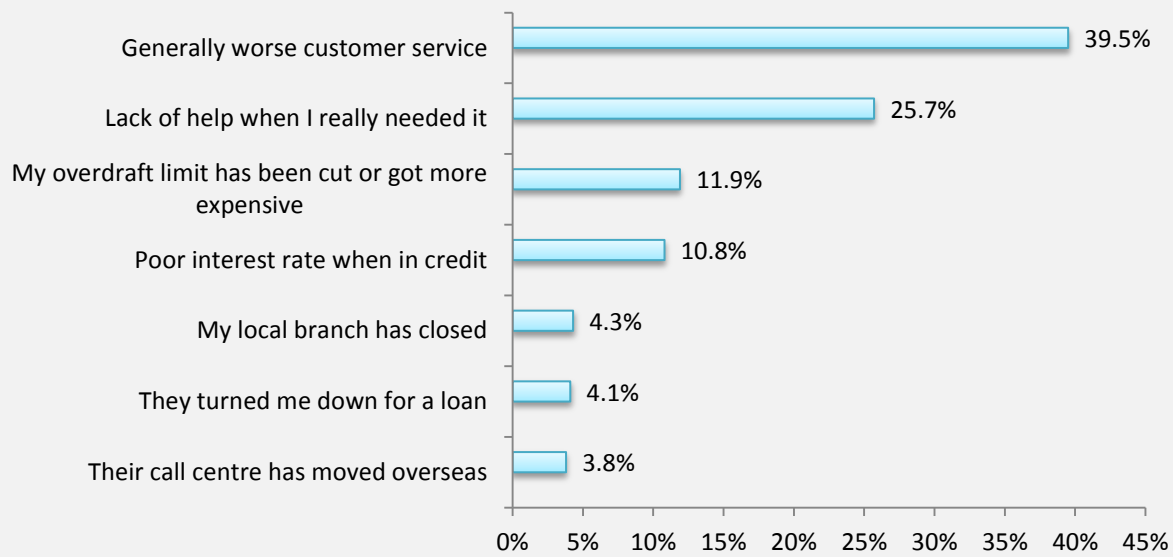
Significant changes in this table are the number of respondents citing 'good customer service' as the main reason for staying with their bank is up almost 6% from 2010. Also 'competitive interest rates when in credit' has more than doubled from 3.4% to 8.6%.

Do you think the service provided by your main bank has changed significantly in the last 12 months?



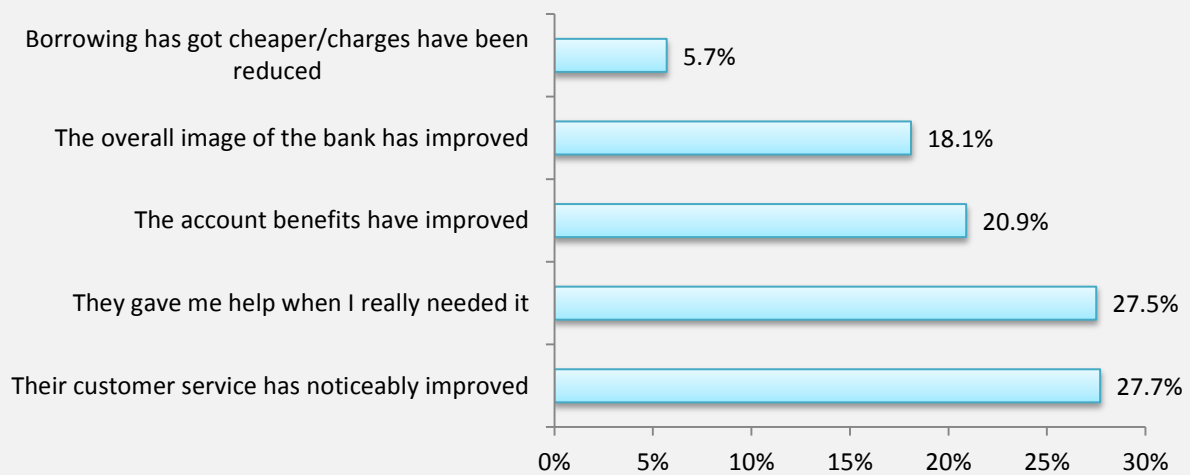
Once again, an improvement in the service offered by banks is evident. 17% respondents report that the service they receive has improved in the last year, compared to 11% in the last survey. In contrast, only 11% of people report that it has got worse compared to 30% last year.

Is there a particular reason they have gone down in your estimations?



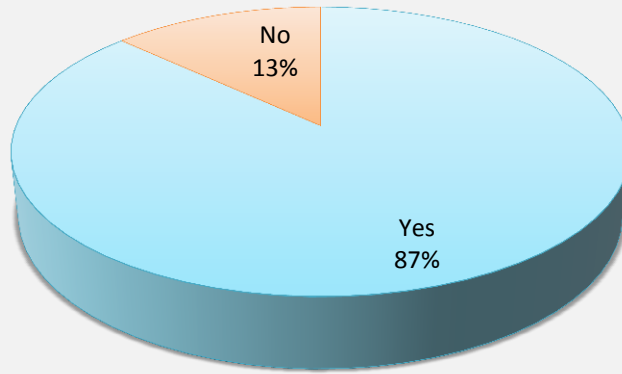
'Lack of help when I really needed it' has gone down from 54.8% to 25.7% as the specific reason for a bank going down in a customer's expectations, knocking it off the no 1 position this year. 'generally worse customer service' at 39.5% compares to 48.2% in 2010.

Is there a particular reason your opinion of them has gone up?



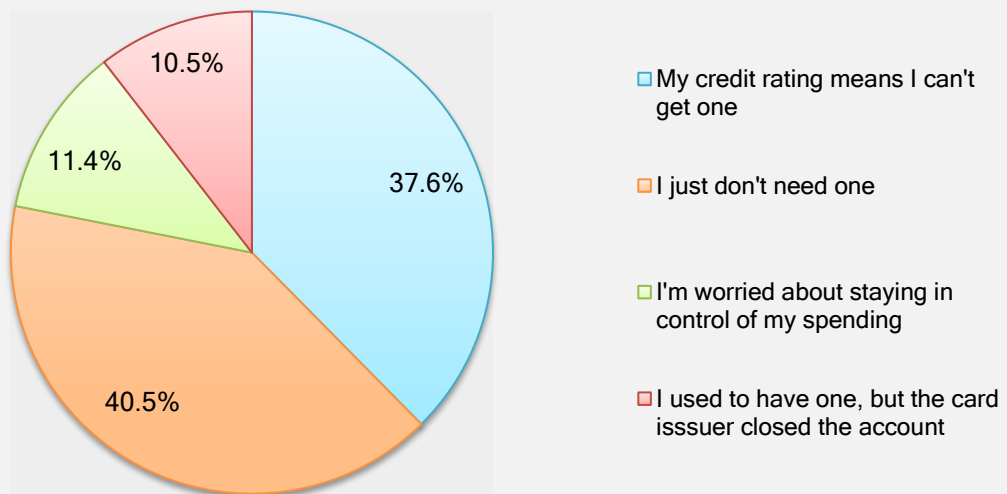
Where existing customers have reported an improvement in the service they have received, customer service levels and help when it was really needed were cited as the main reasons for the more positive feelings.

Do you have at least 1 credit card?



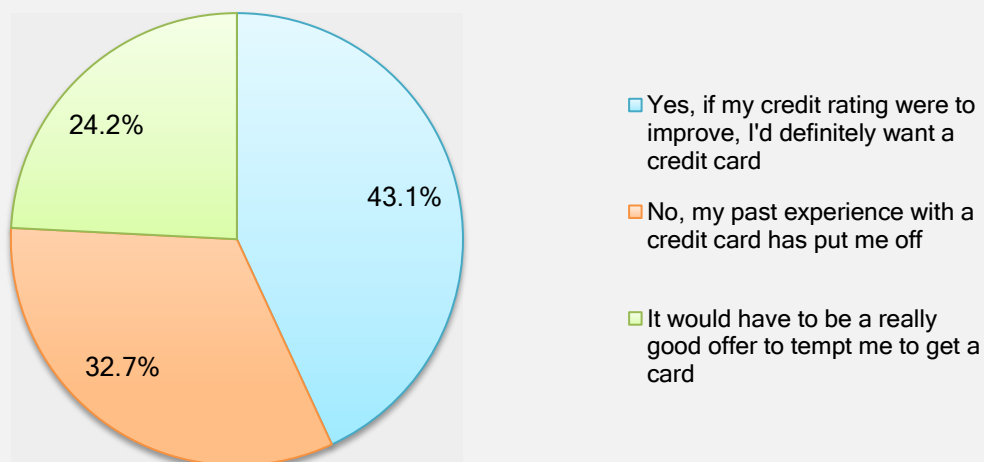
No significant change.

Why don't you have a credit card?



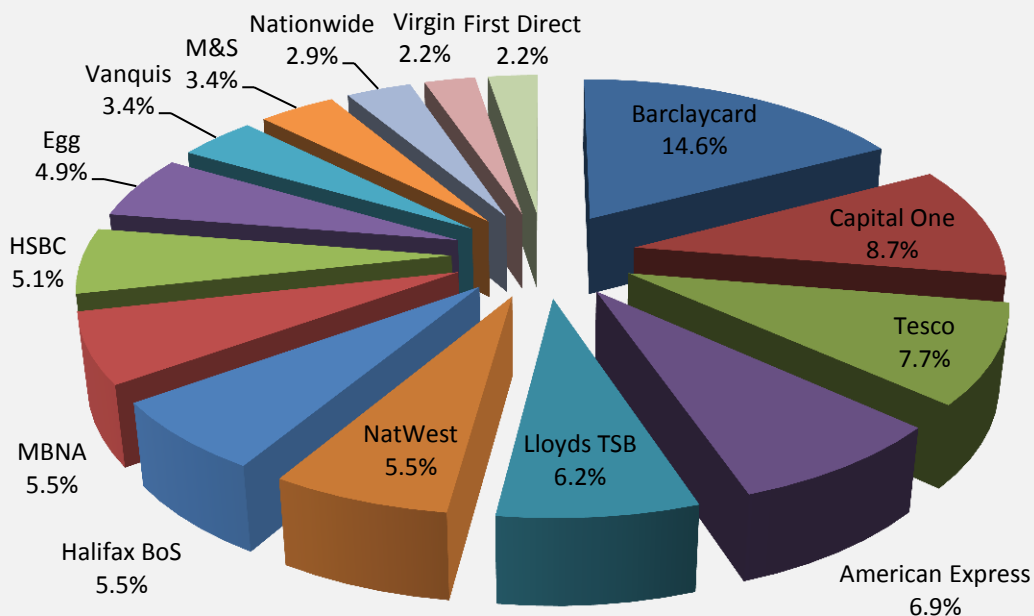
More than 40% of respondents who don't currently have a credit card simply don't want one. Another 37.6% are prevented from getting one because of their poor credit rating.

If your credit rating were to improve, do you think you would get a credit card for day-to-day use?



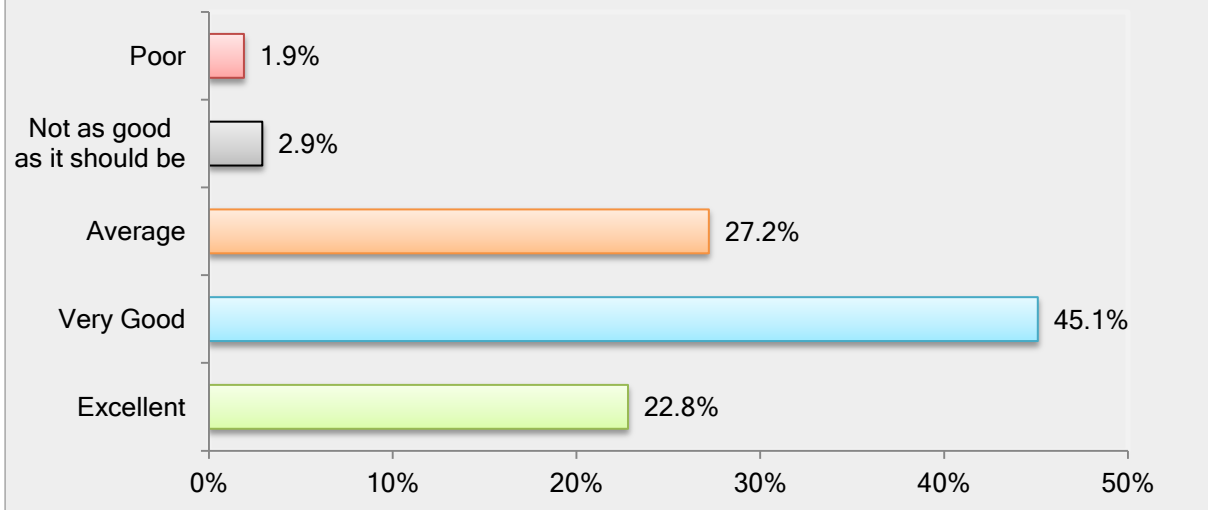
One in three people who have don't have a credit card due to their poor credit rating would be put off getting one in the future by their past experience – even if their rating were to improve. 43% said they would definitely try for a new card if their rating improved, but 24% said it would have to be a very good offer in order to tempt them.

Which credit card do you use most often?



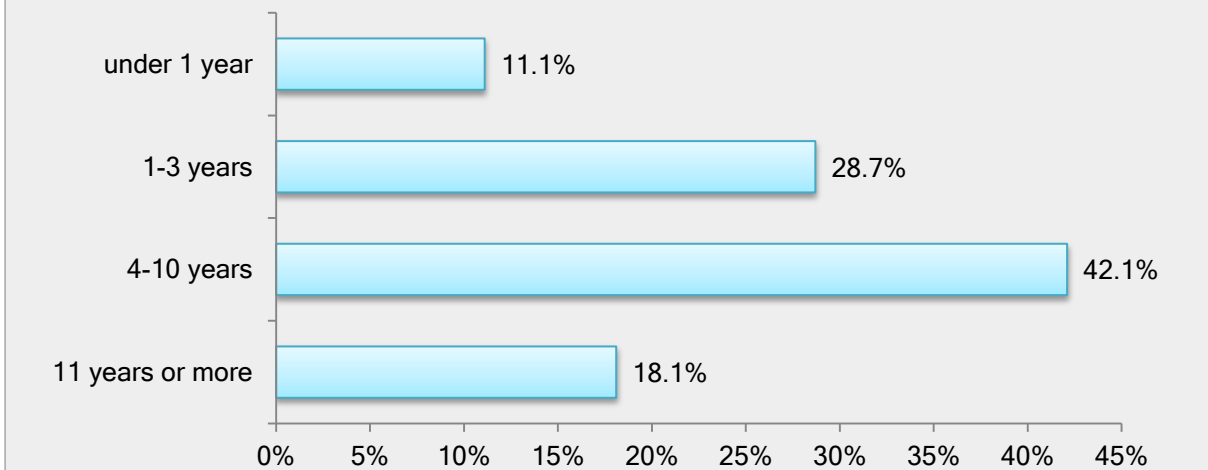
The card at the top of most of our respondent's wallet (or purse) is likely to be a Barclaycard. Barclaycard accounted for a 3% drop in 2011. It has now acquired the credit card portfolio of Egg. Significant changes appear to be affecting some US-owned issues. Capital One, still in 2nd position, is down from 12% to 8.7%, and MBNA is down from 8% to 5.5%

How do you rate the overall customer service from your main credit card provider?



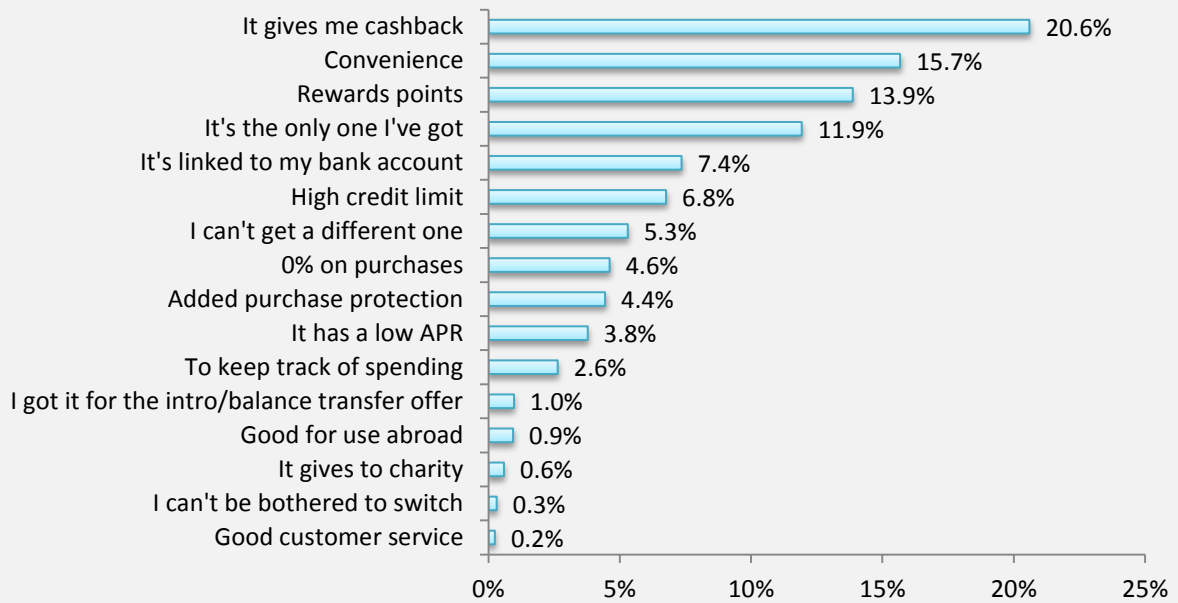
Mirroring the results seen in the customer service ratings for banks, there has been a noticeable improvement in the level of service offered by credit card providers amongst those surveyed. The number of people describing their service as 'poor' or 'not as good as it should be' fell by around 10%. The number of 'very good' and 'excellent' responses increased by the same figure.

How long have you been using this as your main credit card?

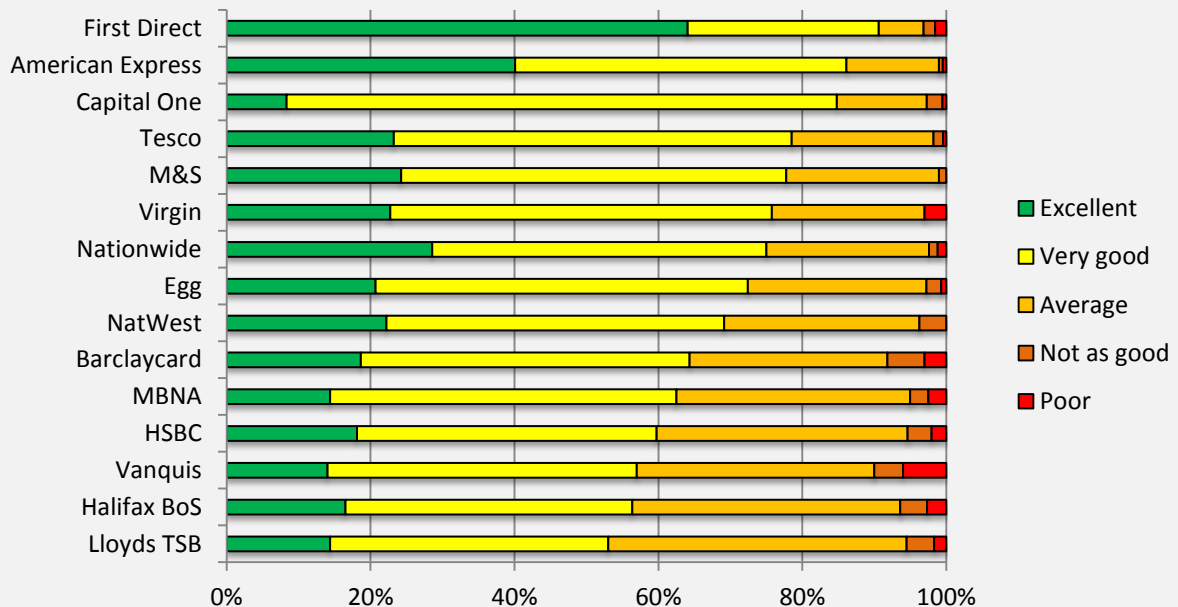


There is very little change in the average time that respondents have held their main credit card. By staying loyal to a credit card provider for such a long time, there's a good chance that respondents are paying much more than they should be in interest, or missing out on some of the unprecedented 0% deals and rewards programmes now on offer.

What is the main reason you are with this credit card provider?

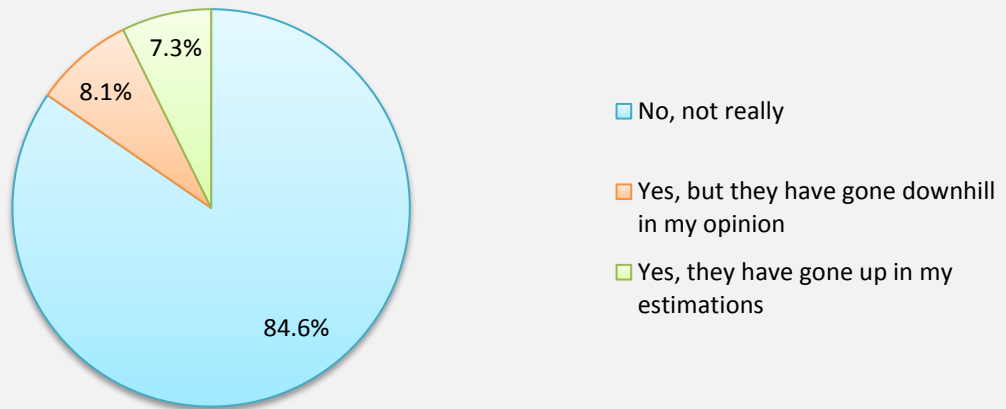


How would you rate the overall customer service you receive from your main credit card provider?



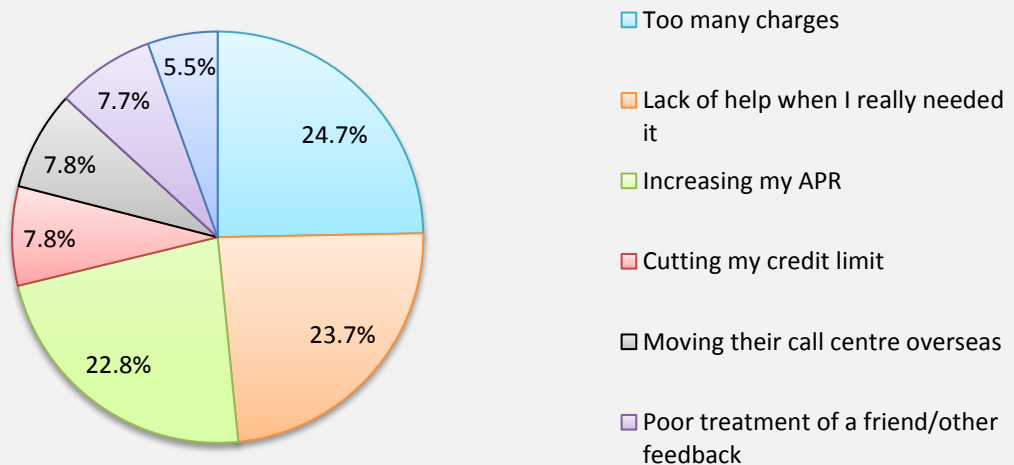
Since our 2010 survey, First Direct has gained enough market share to warrant comparison and has come in straight into 1st place - replicating its position at the top of the bank customer satisfaction table. American Express has moved up from 4th to 2nd position. Capital One has improved markedly, moving from 10th to 3rd position. The bottom 10 cards listed on this table have moved little in position between 2010 and 2011.

Has your opinion of your main credit card provider changed significantly in the last 12 months?

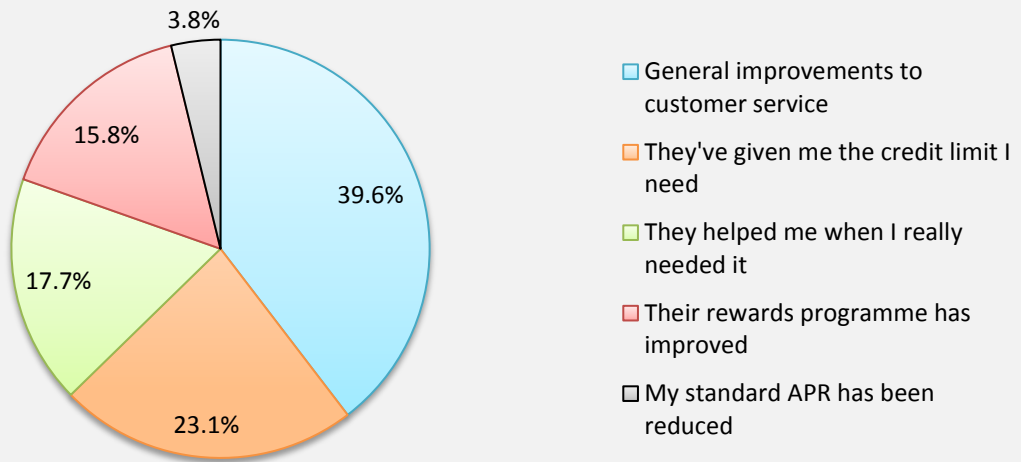


In 2010, 20.1% of respondents felt that their main credit card provider had gone downhill, so it seems that opinion has now stabilised.

What is the main reason they have gone down in your estimations?



What is the main reason your credit card provider has gone up in your estimations?

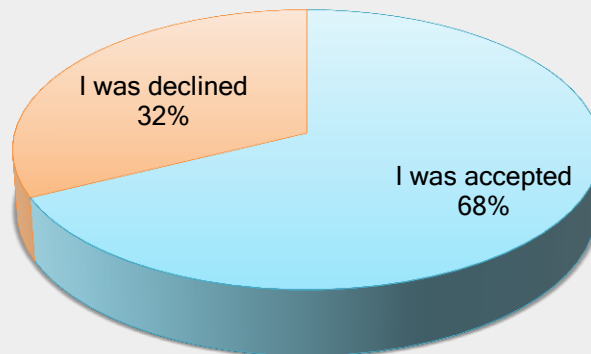


Have you attempted to switch to a new bank or credit card in the last 12 months?



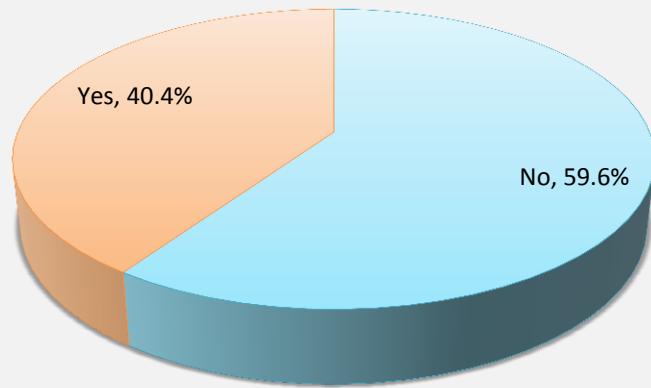
Only 21% of respondents had attempted to apply for a new bank account or credit card in the last 12 months, despite some outstanding offers being made available.

And was your application approved or turned down?

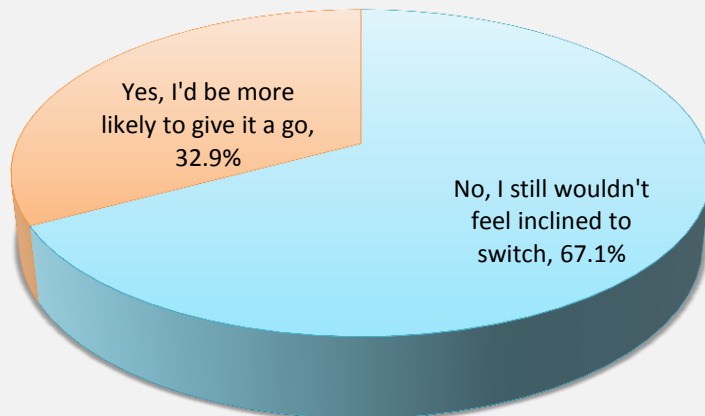


The number of respondents reporting a successful application for credit has increased from 58.6% in 2010 to 68% this year, indicating an easing of credit availability at least as far as our respondents are concerned.

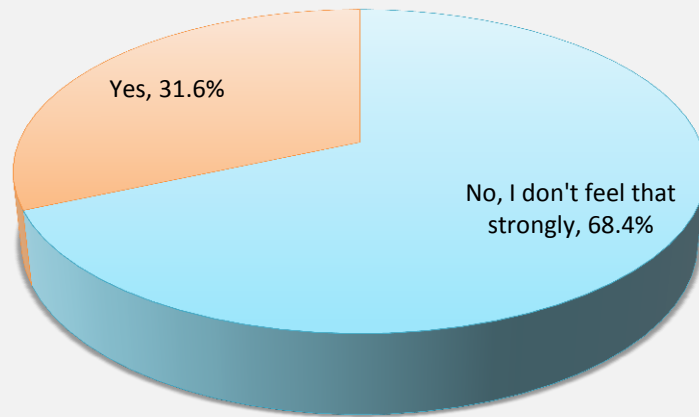
Did you give specific consideration to your credit rating when deciding which bank or lender to apply to?



Would you be more likely to try and switch if you knew you had a good chance of being accepted first time?

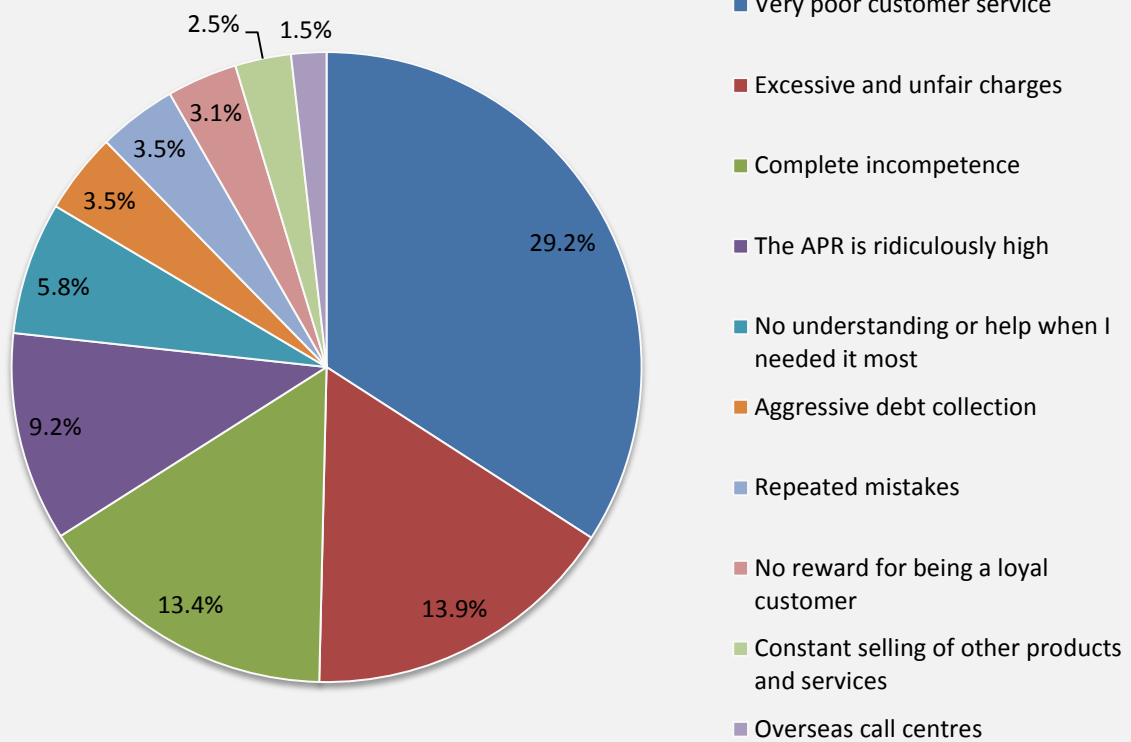


From personal experience, is there a bank or credit card that you would never recommend to a friend?



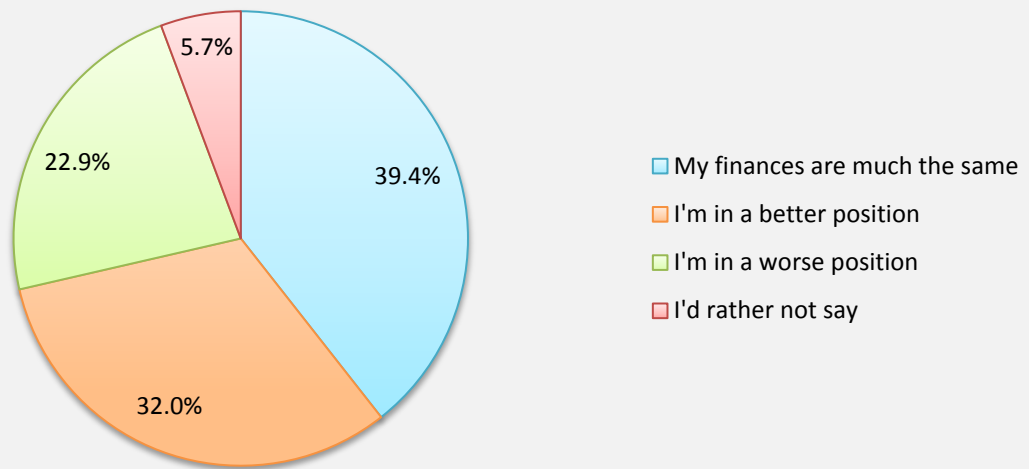
31.6% of people surveyed said they would never recommend a particular lender to a friend, compared to 44.7% a year ago. Of those who said they did bear a grudge strong enough to never recommend a particular lender, one in five singled out Santander for criticism. Barclays, MBNA, Capital One and Lloyds TSB also featured in the top five.

Is there a particular reason for your negative feelings?



A huge variety of reasons were given by respondents as to why they bear a grudge against a particular lender, including "They claimed I had died" and (repeated regularly) "all of the above", but very poor customer service was the most common reason, followed by excessive charges and "complete incompetence".

Would you say that your finances are in a better or worse position than a year ago?



Survey respondents reported an improved view of the state of their finances compared to a year ago. Almost 40% said they were much the same, but an encouraging 32% said that they were in a better position. 23% said they were worse off.